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Spotlight ON FOREIGN MARKETING

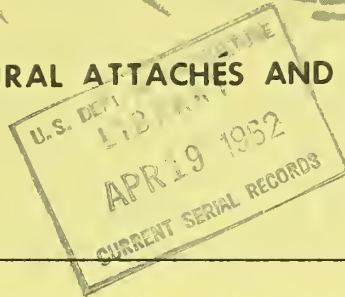


A280.39 TO U.S. AGRICULTURAL ATTACHÉS AND FAS STAFF MEMBERS

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April 2, 1962

ATTACHE CONFERENCE. Market development will be one of the major themes of the May world-wide Attache Conference. One day will be devoted to market development, and Attaches are asked to come prepared to submit their observations, ideas, and suggestions for improving the effectiveness of the program.

EUROPEAN COOPERATORS MEET. We have a report from Agricultural Attache Paul Minneman of a March 6-7 meeting in Paris of U. S. agricultural commodity representatives in Europe. Some 26 persons from the cooperator offices, including representatives of cotton, wheat, feed grains, soybeans, poultry, citrus and raisins, attended.

Ambassador Gavin opened the meeting with welcoming remarks. Topics on the agenda included the Common Market, Market Promotion Opportunities in France, an airmail report of the FAS/Washington Cooperator Meeting covering Trade Fairs and Exhibits, Trade Centers, the use of Market Development Films, and Market Development Evaluation. The latter aroused much discussion.

It was agreed (1) that the Committee on the Common Market would be continued and asked to report on new developments at the September European Cooperator meeting, and (2) that lists of the various market development surveys and research projects completed for various commodities should be prepared by FAS periodically and distributed to each of the commodity cooperators. Following the business session, there was a reception for all the cooperators, their trade contacts in France, Ministry of Agriculture and U. S. Embassy officials.

U. S. WHEAT SAMPLE CARD DEVELOPED. Great Plains Wheat, Inc., has developed a wheat sample card, designed to acquaint overseas buyers and users of U. S. wheat with the types grown and available for export. The card contains a colored map of the U. S. outlining production areas with 15 examples of the subclasses of various wheats encased in plastic. The characteristics of each are briefly described. Several foreign language versions have been printed in addition to the English edition. Sample cards, if desired, may be obtained from the Rotterdam, Netherlands office of Great Plains Wheat, Inc.

ECONOMIC RESEARCH SERVICE CONTRACTS WITH FOOD RESEARCH INSTITUTE. In order to provide the background information needed for understanding underlying trends in grain production and utilization in Germany and France and appraising the probable effects of proposed Common Market agricultural policies on future grain production and trade in these countries ERS has contracted for an economic study to be undertaken by the Food Research Institute of Stanford University.

Peacetime trends and major shifts in levels and relationships that have occurred since 1925 in grain prices, production, and trade in Germany and France will be described and analyzed; special attention will be given to the effects of past changes in grain policies and factors which determined these effects. Specifically the effect of EEC on European imports of U. S. grain will be studied.

FOUR MARKET SURVEY TEAMS TO TRAVEL AND REPORT FINDINGS. Four 6-member teams of State extension economists will leave the U. S. in early June traveling for 5 weeks in South Asia, the Caribbean, Europe, and Africa-Middle East areas, respectively. Each team will be studying agricultural policy and trade situations pertinent to its area of travel. Those studies will have the dual effect of giving FAS the benefit of analysis by impartial observers and giving extension people practical experience abroad, better fitting them to explain export trade problems to our farm people.

E. T. York, Administrator of the Extension Service, has termed such trips of priority importance to extension people in the States and cited the great value of his own recent overseas survey with the Secretary.

U. S. GRAIN, SOYBEANS FEATURED AT LONDON TRADE CENTER. The quality, availability and nutritive value of U. S. feedgrains, soybeans and soybean meal are being demonstrated at a feed show at the U. S. Trade Center in London, England, which opened March 20 and will continue to April 10.

The show will be the first agricultural exhibit of 1962 at the Trade Center, established last year by the U. S. Department of Agriculture and the U. S. Department of Commerce as a part of the U. S. foreign trade expansion program. The U. S. Feed Grains Council, the Soybean Council of America, and Great Plains Wheat, Inc., will participate as cooperating industry sponsors.

A laboratory of the type in which U. S. grain is tested and graded, together with apparatus for making the sedimentation test for wheat, are being featured.

Advantages in using American corn, grain sorghums, soybeans and soybean meal in British livestock feed are emphasized. Recent progress in animal and poultry nutrition form part of the exhibit.

U. S. FOODS FOR IWA CONFEREES. The U. S. delegation to the International Wheat Agreement Conference in cooperation with Great Plains Wheat Inc., gave a reception in Geneva recently for the other IWA conferees at which U. S. poultry and wheat products were again served as samples of U. S. commodities. Each guest was served as much U. S. fried chicken as he could eat, along with a healthful roll. Both the chicken and the roll were delicious and greatly appreciated by all the delegates to the conference.

FIFTH INTERNATIONAL FOOD CONGRESS TO BE HELD IN UNITED STATES.

The fifth International Food Congress and Exhibition, will be held in September at the New York Coliseum. The Congress, meeting for the first time in the United States, is under the general sponsorship of the International Association of Food Distribution, commonly referred to as AIDA (Association Internationale de la Distribution des Produits Alimentaires).

The French and German governments will have national pavilions, and the individual firms exhibiting will offer a variety of products, including many canned foods, cheeses, soups, biscuits, liqueurs, roasted coffees, fruits and electronic machinery.

The working languages of the Congress will be English, French, German and Spanish. Only registrants will be invited to attend meetings of the Congress, official social functions, and other activities. The registration fee is \$35 and \$17.50 for a member of the registrant's family.

If Agricultural Attaches receive inquiries from local businessmen about the Congress, they may be referred for detailed information to The Secretary, Fifth International Food Congress, Inc., 527 Madison Avenue, New York 22, New York.

CASH WITH ORDER. A letter from Germany containing 30 Deutsmarks was recently received by the Department with the request to "take the enclosed to a shop and please send American milk and butter."

The money was returned through the Attache's office accompanied by a gift box of instant nonfat dry milk. This product has been featured at a number of trade fairs. Consumers seem to be willing to pay the extra premium for its excellent taste and rapid mixing qualities.

SCHOOL LUNCH PROGRAM LAUNCHED IN WEST PAKISTAN. A pilot school lunch project was recently started in Karachi involving lunches for ten schools and 3,600 children. It is a cooperative venture involving CARE, Wheat Associates, Pereira Bakery and the Sind Flour Mill and provides a wheat roll and cup of milk for the children during the current school term. Continuation of the program will depend largely on local contributions.

CORRECTION. The February issue of SPOTLIGHT, Vol. VI, No. 2, contained the statement that "The Title IV program has been helpful to new flour mills which have been constructed in countries such as Guatemala, El Salvador, Honduras and Libya." The reference to "Title IV" was an error. The program involved was the CCC credit program.

MODERN BAKERY FOR BREADS, ROLLS AND BUNS. A brochure bearing this title is been sent to you under separate cover. Published by the Millers National Federation in cooperation with Foreign Agricultural Service, it suggests projects that will be helpful in economic development in developing countries and will encourage the use of wheat and other agricultural products. Additional copies of the brochure may be obtained from the Grain and Feed Division, FAS/W.

MULTI-PURPOSE MARKET DEVELOPMENT PROJECT FOR VENEZUELA.

The Agricultural Attache in Venezuela and officials of Consejo de Bienestar Rural (Council for Rural Development) have worked out a multi-purpose market development project for livestock and feedstuffs.

Instead of the usual individual commodity approach, this project involves a number of commodities used in Venezuela. In general terms the program involves conducting feeding tests on local livestock, using various feeds and feeding rates. In the first phase of the project, feeding tests will be carried out on beef cattle and will be conducted by the Venezuela cooperator under the supervision and direction of staff members and graduate students furnished by the Animal Husbandry Department of Texas A&M University.

Under the cooperative agreement now in effect between FAS and C.B.R., FAS agrees to furnish Venezuelan bolivars to be used primarily for expenses of Texas A&M staff members and graduate students while in Venezuela, international transportation in connection with the projects, and publication and dissemination of the results of the tests which are expected to take from 4 to 6 months.

INDIA TO PURCHASE WHEAT FOR DOLLARS. Sales of approximately 1,850,000 bushels of wheat to India for dollars, scheduled for shipment in April, are termed by officials of Washington (State) Wheat Commission as of "tremendous import to the Pacific Northwest." In the recent past all U. S. wheat exports to India have been under P. L. 480 for Indian rupees. This cash sale is expected to bolster the price of white wheat.

KANSAS STATE GIVEN WHEAT RESEARCH GRANT. A grant of \$13,500 has been made to the departments of flour and feed milling industries and agronomy at Kansas State University, Manhattan, by the Kansas Wheat Commission to develop high quality wheat varieties. Funds will be used for wheat breeding activities devoted to development of improved hard red winter varieties with strong gluten qualities, and to increase percentage of protein.

According to "South West Miller" more and more emphasis is being placed upon high quality by both domestic and foreign buyers of Kansas wheat. With approximately 50 percent of the U. S. wheat crop going to foreign markets, it is extremely important that Kansas wheat be of high enough quality to meet competition from other areas.

SURVEY MADE TO EXPAND MARKET FOR SOYA PRODUCTS. The Soybean Council is making an extensive effort to determine methods to expand foreign markets for United States Soy Protein Products. Soy Protein Utilization Survey Teams are now conducting surveys in India, Iran, Pakistan, Turkey, Egypt, Spain, Portugal, Peru, Chile, and Colombia. Samples of soy flour, soy grits, and newly-developed full-fat and defatted soy milk powders were sent from the United States to be used by the technicians in their demonstrations to give the local consumers a chance to taste the finished product. The SBC is striving to expand foreign markets for U. S.-produced soy protein products by creating a demand for these and other agricultural commodities. The results of this world-wide survey are expected to reveal a potential market for millions of pounds of soy protein products which can be produced in the U. S. with increased benefits to U. S. agriculture and industry.

SPREADING THE MARKET DEVELOPMENT STORY. A valuable by-product of the evaluation of our market development projects in West Germany, Italy and Japan has been publicity developed since it was made in 1960.

The agricultural economist from the Universities of Minnesota and Purdue and the Agricultural and Mechanical College of Texas, who made the study, have had numerous opportunities to tell our story of government-industry cooperation through magazine articles, radio and television appearances and speeches before farm groups.

Some of the articles and speeches were directed to specific commodity groups. For example, promotional opportunities for feed grain in Japan and for poultry in Germany were explained to Indiana and Minnesota audiences. The total program and the problems associated with export marketing were described in other instances. Lastly, various groups in the several states were told of the need to reshape our thinking to make U. S. farm products more acceptable to our foreign customers.

PROGRESS IN SIGNING MARKET DEVELOPMENT PROJECTS. As of March 31 only about 1/2 of the market development projects, including amendments, planned for this year have been signed. This is due largely to the delay caused by rewriting our regulations. Since we have only two more months during which projects can be authorized, a concerted effort by all concerned is needed to get the job done. Attaches are requested to handle with dispatch any approvals and other correspondence related to projects.

FAS PROJECT TO MAKE TOXICOLOGICAL TESTS ON CITRUS RED #2 ORANGE COLORING DYE. Under a Section 104(a) market development contract the Medical School of the University of Birmingham in England will carry on experiments over a two-year period on alleged toxicological properties of Citrus Red #2 Orange Coloring Dye.

The United Kingdom and other European countries now prohibit the imports of oranges, the skins of which have been treated with this dye.

The U. S. Food and Drug Administration has certified the use of Citrus Red #2 for this purpose and has approved its use in the United States. Manufacturers and the Florida citrus industry have spent \$250,000 proving the harmlessness of this dye to health.

Results of the study will be supplied to the British Government with a request for removal of the current ban on oranges to which Citrus Red #2 has been added. If the United Kingdom allows imports of these oranges, it is felt that other European countries may follow its example.

ADDITIONAL MARKET FOR U. S. VEGETABLE OIL IN PROSPECT. U. S. industry may shortly have an opportunity to export 10,000 additional tons of vegetable oilseeds or products to the dollar markets of Lebanon and the U. K. This will come about if a Turkish firm decides to process domestic cottonseed rather than to export it to Lebanon and the U. K. The firm is negotiating with three American companies regarding the purchase of cottonseed processing machinery valued at approximately \$250,000.

AGRICULTURE TO EXHIBIT AT OSAKA TRADE FAIR. Processed poultry products, packaged foods, and soybeans will have exhibits at the Fifth International Trade Fair in Osaka, Japan this April 5-25. The poultry and soybean exhibits will be handled by representatives of the Institute of American Poultry Industries and the American Soybean Association. Through a joint effort of the Department of Commerce Office of International Trade Fairs and the cooperating trade groups it is also planned to display and demonstrate modern food processing machinery supplemented by a display of canned and packaged foodstuffs.

The Osaka Fair is held in alternate years and is the only important international trade fair in Japan this year. The Fair will provide an opportunity to show and demonstrate some of the latest developments in U. S. food production to a great number of influential trade and industry people from all over Japan and the Far East.

WORLD POULTRY CONGRESS EXHIBIT. FAS will have an exhibit at the World's Poultry Congress in Sydney, Australia in August this year. The exhibit will be primarily a market development show designed to attract the attention of the delegates and visitors from all over the world. The message to be conveyed is that U. S. poultry is a high quality, economical, nutritious food, and that the U. S. poultry industry can deliver this top-grade product to almost every country in the world at prices equal to or lower than locally produced poultry.

ANGUS MOVIE BEING DEVELOPED FOR LATIN AMERICAN COUNTRIES. Under a project agreement with the American Angus Association, a 16 mm, 15 minute color movie with English and Spanish sound tracks is being produced for use largely in Latin America. The film portrays the merits of the Angus breed and will be suitable for showings to beef cattle producer groups, livestock exposition audiences, government officials and others interested in breeding stock. Attaches will be notified when the film is ready for distribution.

U. S. VARIETY MEAT STUDY TEAM IN WESTERN EUROPE. A study team composed of an industry representative and an official of the Meat Inspection Division of ARS is in Europe studying the problems in U. S. variety meat exports to France, West Germany, the Netherlands, Belgium, and the United Kingdom. Variety meat exports have skyrocketed in recent years. The volume and value of 1960 exports were 400 percent over the 1951-55 average. The meat team plans to study the quality, packaging and marketing needs of importers in order to assist the U. S. industry in maintaining or increasing sales in the important European market.

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